

Approved

MINUTES

Housing Authority of the Town of Darien
September 8, 2009

A Special Meeting of the Commissioners of the Housing Authority of the Town of Darien was called to order at 5:08 p.m. on Tuesday, September 8, 2009 in Room B-3 of the Darien Town Hall, 2 Renshaw Road, Darien, CT.

Present were: Commissioners Jennifer Schwartz, Cynthia Ashburne, Joe Warren, Jan Raymond, Kass Bruno; Executive Director Kathryn Molgano, Co-Developer Arthur Anderson, AONBC members Tom Bell and Marc Thorne.

Co-Developer Arthur Anderson met with CHFA on September 8th to discuss CHFA's assessment of our application for LIHTC's and reported back to the DHA Commission the outcome of the 2009 CHFA Allocation of LIHTC's. In this year's pool, 9 out of 27 projects were funded. DHA did not receive funding and ranked mid-range with a point total of 150. DHA intends to reapply in April, 2010.

Mr. Anderson discussed in detail CHFA's LIHTC Qualified Allocation Plan to point out where DHA is ineligible for points and to site the areas in which we can gain additional points for next year's round.

There are at least 31 points for which DHA is ineligible and 10 points that were not assigned that should have been:

1. Supportive Housing: Supportive housing provides small efficiency or one-bedroom units to be occupied by persons who have a high degree of social service needs. This type of housing is not appropriate for the AON Redevelopment and will not be considered for this site. This category allots a maximum of 15 points.
2. Home Connecticut Overlay Zone: This type of zoning does not exist in Darien and DHA was not eligible for the 5 points allotted for this category.
3. The Allen-O'Neill site does not fall within a Neighborhood Revitalization Zone or Qualified Census Tract which would have been given 6 points.
4. In the category of Communities with Comparative Less Rental Housing, a possible 5 points is given to communities whose housing stock consists of at least 70% single family, owner-occupied, detached homes. As per the 2000 census, the Town of Darien has 69.7% and did not qualify for these points.
5. Our application did not receive 10 points for an internal operating subsidy (\$200,000/year for tenant rent subsidies) that was not fully understood by our underwriters.

Mr. Anderson noted that the AON project is comparatively a very costly affordable housing project due to site characteristics that cannot be changed. The acquisition cost of an estimated \$45,000 per unit is due to the following factors:

1. Remediation and Environmental Cleanup costs of \$2M (\$20,000 per unit)
2. Drainage Plan (\$1.5M or \$12,000 per unit) which is exceedingly high due to the characteristics of the site.
3. Tenant relocation costs of \$10,000 per unit.
4. Demolition costs of \$5,000 per unit.

Mr. Anderson discussed three areas in which we are looking to improve our point total on next year's application:

1. Public or private resources, including non-amortizing assistance from sources other than DHA (i.e. grants or low-interest loans).
2. Successful negotiation of a (budget neutral) tax abatement agreement with the Town. (DHA will present a proposal to the BOS asking for:
 - No taxes during construction
 - No taxes in years 1-5
 - \$30,000 per year in years 6-10
 - \$90,000 per year in years 11-15
 - Full taxes thereafter
3. Town assistance by contributing to the high cost of the drainage system (\$1.5M)

The meeting was adjourned at 6:45 p.m. (motion by Joe Warren).

Respectfully submitted,

Kathryn Y. Molgano
Executive Director

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